

93rd Congress

ACTIVE CIVIL SERVICE RETIREMENT ACT AMENDMENTS

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| H. R. 1284 | Improves the administration of Federal employee leave                            |
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H. R. 1284

Improves the administration of Federal  
employee leave

Provisions:

In addition to allowing an accumulation of annual leave under certain circumstances, the bill amends Section 5551, Title 5 and provides that upon separation, a retiree can receive a lump-sum payment for all leave accumulated and all earned and unused leave during the year of separation. Presently, the lump-sum payment is limited to 30 days.

H. R. 1284 further provides that annual leave lost since 30 June 1960, due to administrative error, is to be restored and is to be included in the lump-sum payment upon retirement if not previously used.

Administration Position

The Administration fully supported the bill.

Status:

Passed the House on 17 September 1973.

H. R. 3798

Mandatory age and service

Provisions:

Amends Section 8335, Title 5, to reduce, prospectively, the service requirement for mandatory separation of Federal employees under the Civil Service retirement program from 15 years to 5 years at age 70. This would affect all appointments after 31 December 1973.

H. R. 3798 also amends Sections 8706 and 8901 of Title 5 to reduce from 12 years to 5 years the period of service required upon retirement to retain the Federal employees life and health insurance coverage. This would be effective on 31 December 1978.

Administration Position:

This is an Administration proposal.

Status:

Passed the House on 16 April 1973.

H. R. 9107

Increases Certain Annuities

Provisions:

Ninety days after enactment increases certain annuities by:

a. Amending Section 8345 of Title 5 guaranteeing that no civil service annuity shall be less than the prevailing primary insurance under social security benefits (now \$85 monthly. Comparable benefits would also be paid to a surviving spouse and children. In determining eligibility for the minimum guaranteed, any benefits from other retirement programs, (e.g., veterans' pensions) are to be included.

b. Providing a flat \$300 per annum increase for annuitants who were separated prior to 20 October 1969 or \$165 per annum to their surviving spouses.

Administration Position:

The Administration strongly opposes the bill on the basis that Civil Service retirement carefully relates annuities to length of service and salary levels. A concept of minimum annuities, it feels, would weaken this relationship. The Administration is opposed to a policy that would assure past retired employees that their benefits will be kept on a par with those available to employees currently retiring. The Administration pointed out significant cost of living increases of the last several years.

Status:

Favorably reported on 11 September 1973 by House Post Office and Civil Service Committee. Calendered for House vote on 30 October.

H. R. 9257

Revises employee CSC retirement deductions

Provisions:

Authorizes CSC with the concurrence of Congress, to adjust employment retirement deductions based on employee and government each paying one half of normal cost. This would result in lowering employee deductions from 7% to 6 1/2%, since current normal cost is 13.1%. (Employee deduction is fixed by law at 7% based on normal cost of 14%.)

Administration Position:

The Administration supported H. R. 9257, provided it was amended to allow the CSC to propose an alternative to an adjustment in the event an adjustment would be detrimental to the fund. The Administration noted that normal cost is the average percentage of pay required to be set aside, invested and earning interest over an entire career rather than on the experience of one year or other period. The Administration further noted that normal costs can fluctuate from any increase in benefits granted to persons still employed, such as air traffic controllers and that normal costs can fluctuate due to a change in actuarial assumptions.

The Administration does not favor an immediate reduction in the present contribution rate but feels that the Congress would concur in an upward adjustment later should there be a rise in normal costs.

Status:

Passed the House on 1 October 1973.

H. R. 9281

Annuity increase for law enforcement and firefighting personnel under Section 8336(c) of Civil Service Commission Act

Provisions:

- a. increases computation formula to 2 1/2% for each of the first 20 years of such service and 2% thereafter. (Presently: computed at 2% not to exceed 40 years.)
- b. provides mandatory retirement at age 55 (or older age until 20 years service rendered) unless the agency exempts the employee - no extension over 60 (Presently: mandatory retirement at 70).
- c. increases employee deduction to 7 1/2% (Presently: 7%).
- d. includes premium pay for law enforcement officers in computing base pay. Presently, only the premium pay for persons who have to remain at their station, such as firefighters, can be added to base pay for retirement.

Administration Position:

Though the Administration concurs in the proposal to subject law enforcement officers to a mandatory retirement at age 55, it is opposed to H. R. 9281 for the following reasons:

- a. The computation formula is excessively generous. (CSC recommends a guaranteed basic annuity of 50% as a more appropriate incentive for early retirement.)
- b. It opposes the concept of increasing employee deductions as it considers early retirement programs management tools and increased costs should not be borne by employees.
- c. It would apply the concept of minimum and maximum age limits uniformly throughout government rather than meeting the specific needs of each agency. The premium pay provision is considered inequitable as not all law enforcement officers are paid under this provision. Further, the section of the CSC retirement law providing premium pay for law enforcement officers is not limited to such officers only.

Status:

Passed the House, 20 September 1973.

S. 628

Eliminates the annuity reduction for a surviving spouse during periods when annuitant is not married

Provisions:

Amends Section 8339 of Title 5 to eliminate, during periods when an annuitant is not married, the reduction in annuity to provide for an annuitant's spouse. The bill would be effective upon enactment.

Administration Position:

The Administration opposes the bill on the basis that it would increase the unfunded liability by \$137 million and normal cost by .01% of payroll. Also, noted was the fact that originally the reduction covered the full actuarial cost of the survivor protection computed over the lifetime of the retiree. Over the years, however, the reduction in the retiree's annuity has been decreased five times to the point that it now equals only a fraction of the cost of the survivor protection.

Status:

Passed the Senate on 31 July 1973.



S. 1866

Increases certain annuities

Provisions:

Amends Sections 8339 and 8341 of Title 5 to guarantee the same minimum Civil Service retirement comparable to Social Security as in H. R. 9107 and in addition:

- a. provides an increase of \$240 per annum for annuitants separated prior to 20 October 1969, or \$132 to their surviving spouses.
- b. provides that the Social Security increase of 5.9% recently made law be effective in the month of enactment of the bill and not June 1974.

Administration Position:

Same as for H. R. 9107.

Status:

Passed the Senate on 11 September 1973.

S. 2174

Defines widow and widower

Provisions:

The purpose of the bill is to amend the definition of "widow" and "widower" of a deceased annuitant who is eligible for survivor benefits under the CSC retirement system. Under current law, a surviving spouse is one who (a) was married to the deceased for the last 2 years prior to his death or (b) was the parent of issue by that marriage. S. 2174 reduces the 2 year marriage requirement to one year. The bill is prospective and would not apply to survivors of annuitants who died before the date of enactment.

The Committee report notes that the legislative history of the 2 year marriage requirement indicates that this period was selected out of a compromise and was clearly arbitrary. The report further noted that other major retirement systems, such as veterans' pensions and social security, have reduced the marriage requirement to one year or less. The Committee felt that one year was an adequate time to protect against "death bed" marriages.

Administration Position:

The Committee report does not reflect an Administration position.

Status:

Passed the Senate on 20 September 1973.

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

Legislative Counsel

NO.

STAT

DATE

2 November 1973

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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Attached for your information and noting at this time is a run-down of several bills amending the CSC retirement system which are active. Most have a good chance of passage. The status is as of 1 November.

Copies of the bills and Committee reports (House and Senate Post Office and Civil Service) are available upon request

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Assistant Legislative Counsel

Att. .

cc: DDM&S  
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